

NIFAC

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Comments

ISSUES

QUALITY OF ANALYSIS AND POLICY SUPPORT (second of issues, after HF section)

The worth of intelligence is in the end-product we provide users, of course. In today's national security environment, the quality of analysis and policy support must continually be a top priority for ^{improved qual. & rel.} improvement. I have directed an intensive scrutiny of production programs--last fall in my review of the FY 1980 NFIP and throughout this coming year in development of the FY 1981 program--for ways in which resource augmentation might have a significant impact on the quality of intelligence analysis. It is not easy, however, to have a rapid or broadly effective resource impact on intelligence production. Dollars and manpower help, but only up to a point. Now ⁵ are productivity increases in analysis as susceptible to technological stimulus as the other aspects of the intelligence process. Individual human qualities--intellect, expertise and motivation--and the imagination and relevance of our production program, are the variables most critical to the results. ☐

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Product quality is fundamentally more a management problem than a budget problem. Improvement involves a number of complex areas. Among them are motivation of good analysts to further increase their productivity, and stick with analytical careers so we can benefit from their accumulating experience and expertise; ensuring that analysts and production managers alike stay in close enough touch with key policy users to make their product directly relevant to the most pressing policy needs and decisions; preservation, on the other hand, of enough analytical time and expertise

from ad hoc support to allow in-depth research and analysis of long-term trends; development of good production managers in a culture where individual analytical excellence is the principal performance criterion; fostering interdisciplinary analysis in a business traditionally built primarily on highly skilled but narrow functional or area expertise; communication of (inevitable) levels of uncertainty in data and analysis and their implications for policy choices; and, not least, nourishing in the expert, who has carefully developed a best estimate of his subject, a sensitivity to the unexpected, so that less likely trends or developments carrying severe consequences for US interests will be considered, and their imminent surfacing sensed in time to provide occasion and support for policy maneuvering to avoid or minimize those consequences.

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None of these dilemmas are susceptible to quick fixes, or even to easy rationalization. Our broad, long-range attack on them, both within NFAC and in other Community production offices, has a number of elements.

Management: Last May NFAC created a small staff working full time on the formulation of issues and programs germane to improvement in the quality of intelligence production and analysis. This staff has made a comprehensive inventory of NFAC's analytical skills to measure current capabilities and shortfalls and plan a series of achievable targets for improvement; has just completed ^{is working on} recommendations on analyst recruitment and career development; ^{as well as ci research} and is beginning to examine leadership and organizational aspects of NFAC management. Under the chairmanship of my Deputy for National Intelligence, the interagency production

II. Quality of Analysis (2)

Steering Group for NFAC, INR and DIA is developing parallel and complementary programs to improve quality of analysis throughout the production community.



The NFAC skills inventory questionnaire has been made available to INR and DIA for their use in establishing similar targets and goals for inclusion in an integrated Community program. The USAF Occupational Measurement Center is conducting, on behalf of IDA, a job analysis survey of DIA analysts to include the analytical process in DIA, the conditions and environment in which the DIA analyst works, and the level of skills and performance required to do the job. ☐

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Consumer Contact: The NIOs have taken the lead in developing close contacts with NSC and other policy customers to ensure relevance of intelligence analysis to user concerns. NFAC production offices make similar efforts in their disciplines. The Director of INR has recently tasked the directors of his production offices to consult with State's Bureau Chiefs to formulate a quarterly research program to better focus on the concerns of the Department's policymakers. DIA has recently established a Director's Group which will work closely with the Defense Intelligence Officers and Pentagon leaders to establish a departmental production program more responsive to the needs of the offices of the Secretary of Defense. ☐

25X1 Improved Critical Review: Fundamental to our efforts to improve the quality of our intelligence product is the toughening of the critical review it receives. My Deputy Director for National ^{Foreign Assessment} ~~Intelligence~~ spends the largest amount of his own time in trying to help provide that kind of

II. Quality of Analysis (3)

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review. I ^{also} take a personal hand in this effort in the preparation of Presidential briefings, especially important National Estimates, and the like. A number of outside consultants have been used in recent years to review major products, and a panel of some 50 such consultants has been established to review output in all fields under the purview of the NIOs. A ^{has also been} newly established Senior Review Panel is now being staffed and will ultimately consist of three or four eminent scholars ^{to provide order & collegial} who will review ^{critically} the entire range of NFAC analyses. [We are now considering the establishment of an NFAC office-level review panel composed of production managers and senior analysts from the production offices. This panel would review major intelligence efforts to determine if the analytical approach is focused on the proper issues and questions. Service on the interoffice panel would give our analysts a chance to broaden their own perspectives and to think in interdisciplinary terms.] ☐ 25X1

Training: Each of the major production components of the Intelligence Community has attempted to maintain active training programs for the development of area, language, and functional skills. The surveys currently under way will give production managers a much more specific inventory of the skills and backgrounds of their professional cadre. On this basis, we should be in a position this year to elaborate specific training programs and goals to be achieved over a five-year period. ☐ 25X1

Tailored courses to heighten or refresh certain analytical skills or broaden analysts' exposure are proving quite helpful. NFAC has just completed the second running of a seminar for seasoned analysts intended to make them more self-conscious about the analytical

II Quality of Analysis (4)

process--dealing responsibly with uncertainty, for example--and to encourage interdisciplinary work. In the last year or so we have been quite successful in the specialized tutorial training of analysts by academics brought in from local universities, an intensive economics workshop for political analysts offered three times^s to a total of 37 students, for example. DIA has set up an applied logic course tailored to intelligence production needs and developed a course in statistics and probabilities to meet specific DIA requirements. ☐

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Language training continues to be a special concern. CIA language training has been traditionally oriented to operational needs and emphasized speaking ability. The Office of Training is now developing new approaches to the teaching of reading skills, a course in Chinese for economists, for example. This kind of effort should result in skills that analysts can maintain and the introduction of more primary sources into our analysis. ☐

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Methodology and Computer Support: The application of new methodological approaches and the use of computer support facilities is being actively implemented in the major production elements of the Intelligence Community. Each of the major production elements of NFAC has a staff or unit dedicated to working with analysts in the application of new methodologies to the analytical process. DIA has a very active program; during the last two fiscal years training to introduce analysts to the utilization of new analytical methodologies and skills has been given to about 900 DIA analysts. ☐

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II Quality of Analysis (5)

Computer support programs to assist the analyst are widespread in the Community. CIA and DIA jointly are proceeding with Project SAFE, the major Community undertaking in this field. SAFE allows the analyst to build, retrieve, and manipulate data as well as to search all-source data bases from his desk. By itself SAFE will not work magic on the quality of intelligence production, but it will free an analyst to read, to think, to talk and to write, rather than forcing him to spend inordinate time managing the increasing amounts of data. ☐

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During 1979, INR will devote more than 10 percent of its budget to provide improved information handling support, designed to enable INR to keep pace with other members of the Intelligence Community. ☐

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Lateral Entry and Rotational Assignments: In the past year, NFAC hired professionals with a broad range of background and experience from outside CIA; about 60 percent were hired between GS-11 and GS-15 (MA to PhD, with varying work experience). A good deal of attention was given to possible transfers from the CIA Directorate of Operations and a number of likely candidates have been identified. We also have a scholar-in-residence program whereby noted researchers come to work for us for one or two years and then return to their former posts. ☐

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We are making use of opportunities when they arise to assign analysts to other agencies of government where they have the opportunity to experience the day-to-day concerns of the Community we serve. At present, NFAC has two officers assigned to the NSC, seven assigned in Defense, five in the State Department, two in the Department of Energy,

II Quality of Analysis (6)

and one in the Department of Commerce. These assignments are effective in broadening the experience and the sensitivities of our analysts.

Over the past two years, DIA has assigned 10 analysts on rotation for varying period to NSA, State, OSD, IC Staff, NFIB, JCS/Studies Analysis and Gaming Agency, and internally within DIA, while NSA, Air Force, and Army analysts have commenced assignments in DIA.

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Space: CIA, DIA, and INR are all plagued with problems of space that range from extreme dispersal of production units, to facilities that are structurally unsound and hazardous, to overcrowding. Working conditions in NFAC are generally unsatisfactory for the kind of concentrated analytical work we require. Most of our people work in open rooms where noise and traffic detract from thoughtful work. Particularly in DIA and INR, the physical environment is such that the transmission and dissemination of compartmented intelligence information cannot be carried out efficiently and presents significant security problems. For more than five years, DIA has sought unsuccessfully to secure authorization for a new building to house its production and production support elements, presently scattered through five separate facilities. ()

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Some stop-gap measures are being undertaken. INR is in the process of moving its two largest regional offices into a single enlarged secure area. Because additional CIA building space is out of reach, NFAC is investigating the feasibility of using open plan office designed and systems furniture. If a pilot program demonstrates a significant improvement in space utilization and working environment, NFAC will propose

II Quality of Analysis (7)

a major conversion program starting in 1980. ☐

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The Core of the Problem

Each aspect of this multiple approach will help, but we need to delve into the core issues of improving quality of analysis and policy support as well. At present, we identify three: genuine area expertise, interdisciplinary approaches to analysis, and sensitivity to the unexpected. ☐

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Area Expertise: We are thinner than we should be in expertise on many now important regions of the world. Building genuine area (or functional) expertise takes commitment, ^{resources,} time and incentives. ☐

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With my strong endorsement and the DDCI's, NFAC is now allocating more GS-15 and supergrade positions to analytical specialists functions to improve the career enhancement incentives. NFAC is also considering establishing specialist cadres of analysts (an African Cadre, European Cadre, Strategic Warfare Cadre, etc.) to provide analysts who desire and are competent to specialize with specific career prospects as to assignments, incentives, reciprocal standards, and training. Such a cadre program would also be aimed at strengthening our management of analytical resources by developing more specific understanding of what kind and how many analysts will be needed, and by sustaining a calculated level of expertise in each specialty. ☐

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To help get at the quality aspect of the Defense Intelligence Agency's manpower problems, we intend to consider legislation to authorize, among other things, a specialist grade structure, appropriate termination

II Quality of Analysis (8)

authority, and possible exemptions from the Classification Act for DIA. Such a program could provide substantial incentives for good DIA analysts to stay with production instead of switching to some other career track which offers greater upward mobility. If Congress accepts this concept, I will consider trying it for other production components as well. ☐

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We need to increase the exposure of our regional and country analysts to the territories and societies for which they are responsible. Without personalized overseas experience they often lack the necessary sensitivity to the forces affecting events in the countries they cover. I have earmarked \$330 thousand in the FY 1980 budget for NFAC advanced analyst training--academic training (including language) and overseas on-the-ground experience--pointed both at more informed analysis and more career satisfied analysts willing to continue their important work. With Congressional approval of the FY 1979 budget, we have ~~established~~ *allocated* eleven official slots for NFAC analysts to have two-year PCS assignment abroad in key countries. This is a very important program, designed both to improve our analysis in the short term and enhance our analytical strength over the long run. ☐

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Although INR is able to benefit from the rotational assignment of Foreign Service Officers, it is also seeking to establish a program of overseas assignments for its own permanent cadre. DIA is expanding its programs for analyst travel to overseas areas and greater employment of graduates of the Department of Army's excellent foreign Area Specialists School. ☐

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II Quality of Analysis (9)

One generally underrecognized aspect of area expertise is the time required to acquire and to maintain that expertise. Experts are often also best at the ad hoc policy support which is one of the most important functions intelligence can perform. Reserving sufficient time to build and freshen expertise, and to do the kind of research and analysis that really exposes a new topic or illuminates a perennial issue with fresh, policy relevant insight, is a very difficult problem for the analyst and production manager also trying to be responsive to the full range of current policy needs. ☐

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Interdisciplinary Analysis: In recent years we have found ourselves better equipped to look at one functional aspect of an intelligence problem--political, economic or military--than to integrate these disciplines in a combined attack on complex situations. We are working hard to overcome this imbalance. The NIOs, whose responsibilities are region or problem oriented, are our principal instrument in the effort. They have responsibilities both for coordination of Community production and for the integration of disciplinary analysis within NFAC. ☐

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An increasing number of interdisciplinary efforts have also been generated among the various NFAC production offices. Notable in this regard are the development of a full program of analysis on Soviet cruise missiles and naval forces, which ~~was~~ produced an assessment of postulated Soviet long-range cruise missile systems for land attack, and related Soviet perceptions, options and capabilities. The creation of a Cuban task force has brought together in one workspace analysts from a number of offices to work on a jointly developed program. The Cuba Analytic Center

II Quality of Analysis (10)

25X1 this past year has done assessments of the Castro government's management of the political, military, economic, and social costs of Cuba's expanding role in Africa. ☐

The Office of Economic Research is establishing a Petroleum Supply Analysis Center which will [bring to bear the] combined talents of economists, geologists, petroleum engineers, computer modelling specialists, etc., on this key question. To ensure that the work of economists, geographers, imagery interpreters and other ^{energy intelligence} specialists [on technical aspects of petroleum supply questions is thoroughly integrated, we have also established a ^{steering group} ~~policy board~~ to set priorities and otherwise guide the efforts of the various NFAC offices. ☐

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In general, our analysis of Soviet political and military affairs is now more sensitized to the economic dimension. Unless present economic trends are reversed, we believe that resource constraints on Soviet foreign and military policies are likely to grow. In the near term--within the next few years--energy shortages seem certain to confront the Kremlin with a need to ration oil exports more tightly. This will mean an increasingly difficult choice between sacrificing needs of the USSR's Warsaw Pact allies or foregoing some important hard currency earnings from sales to non-Communist customers. Continued military spending at current rates will, if the GNP growth rate is not increased, impact adversely on growth rates for investment or consumption, or both. Our analytical work aims at anticipating choices among alternative strategies that the current Soviet leadership seems not yet to have made. These choices may well be left to a successor leadership to make. How they choose,

II Quality of Analysis (11)

in turn, will be mediated by intervening factors, such as the course of the succession, the power and personalities of the new leaders, and the evolution of the USSR's international environment. Our analysis therefore must pursue a constantly moving target and is attuned to identifying and tracing those variables whose interaction will determine the outcome. ☐

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In the nuclear proliferation field this past year, multidisciplinary^{or} analyses were integrated into forward-looking assessments of South African and South Korean political-military threat perceptions, military-industrial decisionmaking processes, and options for nuclear development. A comparative economic appraisal of all developing countries' nuclear and non-nuclear power generating prospects complemented technical assessments of nuclear energy programs in Latin American and the Middle East. Focused analyses were also prepared on the bureaucratic politics of reprocessing in Argentina, Brazilian policy toward nuclear power, the politics of the International Nuclear Fuel Cycle Evaluation, and Spanish views of nuclear cooperation, security and nonproliferation. A set of country-specific collection strategies were developed and a series of conferences on proliferation in Northeast Asia, South Asia, and Latin American were conducted for collectors, analysts, and policymakers. Expertise on nuclear proliferation was pulled together in all of this work from within and without the Intelligence Community, and including agencies like the Department of Energy that are both contributors to and users of nuclear intelligence. ☐

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Other examples of NFAC interdisciplinary analysis last year include:

- examination of China's interest in acquiring West

II Quality of Analysis (12)

European technology and equipment;

- behavior analyses of selected foreign leaders;
- continuing assessments of agricultural crop production in the USSR, Eastern Europe and China. ☐

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Beyond cross-organizational work on common problems, our longer term goal in interdisciplinary analysis is to stimulate the development of more broad gauged individual analytical talent capable of performing high-quality integrative analysis. ☐

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Sensitivity to the Unexpected: This is perhaps at once the most important instinct of an intelligence analyst and the most difficult to sustain, [Area expertise here can sometimes become a hazard,] particularly on areas or problems where the main features of the situation have long been clear and ostensibly little changing. This problem was part of the reason for our belated recognition that Iran was undergoing a sea change this year, but Long tested conventional wisdom is a potential trap in many of our most significant intelligence problems, from Soviet defense mentality to the Yugoslave succession to the conservative ^{essence of} Saudi Arabia. ^{leadership} [We are asked for our best judgments on situations, not "cover-any-contingency" waffling. Nevertheless,] In situations whose outcome is vital to US interests, ^{therefore} we must make more of an effort to define, weight and probe the implications of an appropriate range of scenarios. ☐

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II Quality of Analysis (13)